

plans and a room plan if any new work is involved; all elevations which are affected by the alterations; building sections; demolition drawings. All details to complete the proposed work and finish schedules.

(ii) *Planting drawings.* (A) All proposed features such as roads, buildings, walks, utility lines, burial layout, etc.

(B) Contours, scale, north arrow, legend showing existing trees.

(C) A graphic or keyed method of showing plant types as well as quantities of each plant.

(D) Plant list with the following: Key, quantity, botanical name, common name, size and remarks (i.e., balled and burlaped, container, 3 stem clump, specimen, etc.)

(E) Typical tree and shrub planting details.

(F) Areas to be seeded or sodded.

(G) Areas to be mulched.

(iii) *Layout drawings.* Submit a layout plan which shows the following:

(A) Roadways, walks, buildings, scale and north arrow, boundary lines and fence lines.

(B) Section layout with permanent section monument markers and lettering system.

(C) Gravesite layout and numbering system.

(D) Gravesites which are obstructed.

(E) Direction the headstone faces.

If the cemetery is existing and the project is expansion or renovation, show available, occupied, obstructed and reserved gravesites.

(iv) *Equipment drawings.* Large scale drawings of typical special rooms indicating all fixed equipment and major items of furniture and moveable equipment.

(v) *Structural drawings.* Complete foundation and framing plans and details. General notes to include: Governing code, material strengths, live loads, windloads, foundation design values, and seismic zone.

(vi) *Mechanical drawings.* Heating and ventilation drawings showing complete systems and details of air conditioning, heating, ventilation and exhaust. Plumbing drawings showing sizes and elevations of soil and waste systems; sizes of all hot and cold water piping; drainage and vent systems; plumbing fixtures and riser diagrams.

(vii) *Electrical drawings.* Separate drawings for lighting and power. Service entrance, feeders and all characteristics. All panel, breaker, switchboard and fixture schedule. All lighting outlets, receptacles, switches, power outlets and circuits. Telephone layout, fire alarm systems and emergency lighting.

(2) Final specifications (to be used for bid purposes) shall be in completed format. Specifications shall include the invitations for bids, cover of title sheet, index, general requirements, form of bid bond, form of agreement, performance and payment bond forms, and sections describing materials and workmanship in detail for each class of work.

(3) Show in convenient form and detail the estimated total cost of the work to be performed under the contract including provisions of fixed equipment shown by the plans and specifications, if applicable, to reflect the changes of the approved financial plan. Estimates shall be summarized and totaled under each trade or type of work.

(4) All of the above requirements must be met and approved prior to the State agency advertising for bids.

(g) *Final review and approval—(Bid tabulations and cost estimates).* (1) The State agency shall submit itemized bid tabulations; assurance, if required; and a revised grant application form reflecting project cost(s) based on bids. If there are non-VA participating area(s), these should be itemized separately.

(2) Following VA approval of bid tabulations and cost estimates, the grant will be awarded by a Notification of Award of Federal Grant Funds.

(Authority: 38 U.S.C. 2408)

(Information collection requirements in paragraphs (b)(2)(xiii)(D), (c), and (e) were approved by the Office of Management and Budget under control number 2900-0375)

[47 FR 49395, Nov. 1, 1982, as amended at 54 FR 34988, Aug. 23, 1989]

## PART 40—INTERGOVERNMENTAL REVIEW OF DEPARTMENT OF VETERANS AFFAIRS PROGRAMS AND ACTIVITIES

Sec.

40.1 Purpose.

40.2 Definitions.

## § 40.1

## 38 CFR Ch. I (7–1–98 Edition)

- 40.3 Programs and activities.
- 40.4 General.
- 40.5 Federal interagency coordination.
- 40.6 Selection of programs and activities.
- 40.7 Communicating with State and local officials concerning VA's programs and activities.
- 40.8 Commenting on proposed Federal financial assistance and direct Federal development.
- 40.9 Comment receipt and response to comments.
- 40.10 Making efforts to accommodate intergovernmental concerns.
- 40.11 Interstate.
- 40.12 [Reserved]
- 40.13 Waiver.

AUTHORITY: E.O. 12372, July 14, 1982 (47 FR 30959), as amended April 8, 1983 (48 FR 15887); section 401 of the Intergovernmental Cooperation Act of 1968, as amended (31 U.S.C. 6506); sec. 204 of the Demonstration Cities and Metropolitan Development Act of 1966, as amended (42 U.S.C. 3334).

SOURCE: 48 FR 29413, June 24, 1983; 48 FR 31854, July 12, 1983, unless otherwise noted.

### § 40.1 Purpose.

(a) The regulations in this part implement Executive Order 12372, "Intergovernmental Review of Federal Programs", issued on July 14, 1982 and amended on April 8, 1983. These regulations also implement applicable provisions of section 401 of the Intergovernmental Cooperation Act of 1968 and section 204 of the Demonstration Cities and Metropolitan Development Act of 1966.

(b) These regulations are intended to foster an intergovernmental partnership and a strengthened Federalism by relying on State processes and on State, areawide, regional, and local coordination for review of proposed Federal financial assistance and direct Federal development.

(c) These regulations are intended to improve the internal management of the VA, and are not intended to create any right or benefit enforceable at law by a party against the VA or its officers.

(Authority: 42 U.S.C. 4231(b))

### § 40.2 Definitions.

For the purposes of §§ 40.1 through 40.13, the following definitions apply:

(a) *VA* means the Department of Veterans Affairs.

(b) *Order* means Executive Order 12372, issued July 14, 1982, and amended April 8, 1983, and titled "Intergovernmental Review of Federal Programs."

(c) *Secretary* means the Secretary of Veterans Affairs of the Department of Veterans Affairs or an official or employee of VA acting for the Secretary under delegation of authority.

(d) *State* means any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, American Samoa, the U.S. Virgin Islands, or the Trust Territory of the Pacific Islands.

(e) *Emergency* means a sudden, urgent, unforeseen situation in which immediate action is needed to prevent or respond to significant harm to life or property. Harm to property would include damage to the environment.

(f) *Unusual circumstances* means the end of a fiscal year, a statutory deadline or any other circumstance making it impracticable for the agency to provide 60 days for comment.

(g) *Affected* means for purposes of interstate situations those States physically affected by the specific plans and projects.

(Authority: 42 U.S.C. 4231(b))

### § 40.3 Programs and activities.

The Secretary publishes in the FEDERAL REGISTER a list of VA's programs and activities that are subject to these regulations and identifies which of these are subject to the requirements of section 204 of the Demonstration Cities and Metropolitan Development Act.

(Authority: 42 U.S.C. 4231(b))

### § 40.4 General.

(a) The Secretary provides opportunities for consultation by elected officials of those State and local governments that would provide the non-Federal funds for, or that would be directly affected by, proposed Federal financial assistance from, or direct Federal development by, VA.

(b) If a State adopts a process under the order to review and coordinate proposed Federal financial assistance and direct Federal development, the Secretary, to the extent permitted by law:

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(1) Uses the State process to determine official views of State and local elected officials;

(2) Communicates with State and local elected officials as early in a program planning cycle as is reasonably feasible to explain specific plans and actions;

(3) Makes efforts to accommodate State and local elected officials' concerns with proposed Federal financial assistance and direct Federal development that are communicated through the State process;

(4) Seeks the coordination of views of affected State and local elected officials in one State with those of another State when proposed Federal financial assistance or direct Federal development has an impact on interstate metropolitan urban centers or other interstate areas; and

(5) Supports State and local governments by discouraging the reauthorization or creation of any planning organization which is federally-funded, which has a limited purpose, and which is not adequately representative of, or accountable to, State or local elected officials.

(Authority: 42 U.S.C. 4231(b))

### **§ 40.5 Federal interagency coordination.**

The Secretary, to the extent practicable, consults with and seeks advice from all other substantially affected Federal departments and agencies in an effort to assure full coordination between such agencies and VA regarding programs and activities covered under these regulations.

(Authority: 42 U.S.C. 4231(b))

### **§ 40.6 Selection of programs and activities.**

(a) A State may select any program or activity published in the FEDERAL REGISTER in accordance with § 40.3 of this part, for intergovernmental review under these regulations. Each State, before selecting programs and activities shall consult with local elected officials.

(b) Each State that adopts a process shall notify the Secretary of the VA's programs and activities selected for that process.

(c) A State may notify the Secretary of changes in its selections at any time. For each change, the State shall submit to the Secretary an assurance that the State has consulted with local elected officials regarding the change. The VA may establish deadlines by which States are required to inform the Secretary of changes in their program selections.

(d) The Secretary uses a State's process as soon as feasible, depending on individual programs and activities, after the Secretary is notified of its selections.

(Authority: 42 U.S.C. 4231(b))

### **§ 40.7 Communicating with State and local officials concerning VA's programs and activities.**

The Secretary provides notice to directly affected State, areawide, regional, and local entities in a State of proposed Federal financial assistance or direct Federal development if:

(a) The State has not adopted a process under the order; or

(b) The assistance or development involves a program or activity not selected for the State process.

This notice may be made by publication in the FEDERAL REGISTER or other appropriate means, which VA in its discretion deems appropriate.

(Authority: 42 U.S.C. 4231(b))

### **§ 40.8 Commenting on proposed Federal financial assistance and direct Federal development.**

(a) Except in unusual circumstances, the Secretary gives State processes or State, areawide, regional and local officials and entities at least 60 days from the date established by the Secretary to comment on proposed direct Federal development or Federal financial assistance.

(b) This section also applies to comments in cases in which the review, coordination, and communication with VA have been delegated.

(c) Applicants for programs and activities subject to section 204 of the Demonstration Cities and Metropolitan Act shall allow areawide agencies a 60-day opportunity for review and comment.

(Authority: 42 U.S.C. 4231(b))

**§ 40.9 Comment receipt and response to comments.**

(a) The Secretary follows the procedures in § 40.10 if:

(1) A State office or official is designated to act as a single point of contact between a State process and all Federal agencies, and

(2) That office or official transmits a State process recommendation for a program selected under § 40.6.

(b)(1) The single point of contact is not obligated to transmit comments from State, areawide, regional or local officials and entities where there is no State process recommendation.

(2) If a State process recommendation is transmitted by a single point of contact, all comments from State, areawide, regional, and local officials and entities that differ from it must also be transmitted.

(c) If a State has not established a process, or is unable to submit a State process recommendation, State, areawide, regional and local officials and entities may submit comments either to the applicant or to VA.

(d) If a program or activity is not selected for a State process, State, areawide, regional and local officials and entities may submit comments either to the applicant or to VA. In addition, if a State process recommendation for a nonselected program or activity is transmitted to VA by the single point of contact, the Secretary follows the procedures of § 40.10 of this part.

(e) The Secretary considers comments which do not constitute a State process recommendation submitted under these regulations and for which the Secretary is not required to apply the procedures of § 40.10 of this part, when such comments are provided by a single point of contact, by the applicant, or directly to the VA by a commenting party.

(Authority: 42 U.S.C. 4231(b))

**§ 40.10 Making efforts to accommodate intergovernmental concerns.**

(a) If a State process provides a State process recommendation to VA through its single point of contact, the Secretary either:

(1) Accepts the recommendation;

(2) Reaches a mutually agreeable solution with the State process; or

(3) Provides the single point of contact with such written explanation of the decision, as the Secretary in his or her discretion deems appropriate. The Secretary may also supplement the written explanation by providing the explanation to the single point of contact by telephone, other telecommunication, or other means.

(b) In any explanation under paragraph (a)(3) of this section, the Secretary informs the single point of contact that:

(1) The VA will not implement its decision for at least ten days after the single point of contact receives the explanation; or

(2) The Secretary has reviewed the decision and determined that, because of unusual circumstances, the waiting period of at least ten days is not feasible.

(c) For purposes of computing the waiting period under paragraph (b)(1) of this section, a single point of contact is presumed to have received written notification five days after the date of mailing of such notification.

(Authority: 42 U.S.C. 4231(b))

**§ 40.11 Interstate.**

(a) The Secretary is responsible for:

(1) Identifying proposed Federal financial assistance and direct Federal development that have an impact on interstate areas;

(2) Notifying appropriate officials and entities in States which have adopted a process and which select VA's program or activity.

(3) Making efforts to identify and notify the affected State, areawide, regional, and local officials and entities in those States that have not adopted a process under the order or do not select VA's program or activity;

(4) Responding pursuant to § 40.10 of this part if the Secretary receives a recommendation from a designated areawide agency transmitted by a single point of contact, in cases in which the review, coordination, and communication with VA have been delegated, or

(b) The Secretary uses the procedures in § 40.10 if a State process provides a

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State process recommendation to VA through a single point of contact.

(Authority: 42 U.S.C. 4231(b))

### § 40.12 [Reserved]

### § 40.13 Waiver.

In an emergency, the Secretary may waive any provision of these regulations.

(Authority: 42 U.S.C. 4231(b))

## PART 41—AUDITING REQUIREMENTS

Sec.

41.1 Purpose.

41.2—41.4 [Reserved]

41.5 Definitions.

41.6 Scope of audit.

41.7 Frequency of audit.

41.8 Internal control and compliance reviews.

41.9 Subrecipients.

41.10 Relation to other audit requirements.

41.11 Cognizant agency responsibilities.

41.12 Illegal acts or irregularities.

41.13 Audit reports.

41.14 Audit resolution.

41.15 Audit workpapers and reports.

41.16 Audit costs.

41.17 Sanctions.

41.18 Auditor selection.

41.19 Small and minority audit firms.

41.20 Reporting.

AUTHORITY: Pub. L. 98-502, 31 U.S.C. ch. 75; 38 U.S.C. 501.

SOURCE: 50 FR 30937, July, 31, 1985, unless otherwise noted.

### § 41.1 Purpose.

These regulations (38 CFR 41.1 through 41.20) are issued pursuant to the Single Audit Act of 1984, Pub. L. 98-502. The act establishes audit requirements for State and local governments that receive Federal aid, and defines Federal responsibilities for implementing and monitoring those requirements. The Single Audit act requires the following:

(a) State or local governments that receive \$100,000 or more a year in Federal financial assistance shall have an audit made in accordance with these regulations.

(b) State or local governments that receive between \$25,000 and \$100,000 a year shall have an audit made in accordance with these regulations, or in accordance with Federal laws and regu-

lations governing the programs they participate in.

(c) State or local governments that receive less than \$25,000 a year shall be exempt from compliance with the Act and other Federal audit requirements. These State and local governments shall be governed by audit requirements prescribed by State or local law or regulation.

(d) Nothing in this section exempts State or local governments from maintaining records of Federal financial assistance or from providing access to such records to Federal agencies, as provided for in Federal law or in Circular A-102, "Uniform requirements for grants to State or local governments."

(Authority: Pub. L. 98-502)

### §§ 41.2—41.4 [Reserved]

### § 41.5 Definitions.

For the purposes of these regulations, the following definitions from the Single Audit Act apply:

(a) *Cognizant agency* means the Federal agency assigned by the OMB (Office of Management and Budget) to carry out the responsibilities described in § 41.11.

(b) *Federal financial assistance* means assistance provided by a Federal agency in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations, but does not include direct Federal cash assistance to individuals. It includes awards received directly from Federal agencies, or indirectly through other units of State and local governments.

(c) *Federal agency* has the same meaning as the term 'agency' in section 551(1) of Title 5 U.S.C.

(d) *Generally accepted accounting principles* has the meaning specified in the generally accepted government auditing standards.

(e) *Generally accepted government auditing standards* means the *Standards For Audit of Government Organizations, Programs, Activities, and Functions*, developed by the Comptroller General, dated February 27, 1981.

(f) *Independent auditor* means: